



**1998 CORPORATE REVIEW
RESPONSE TO COUNCIL DIRECTION
MARCH 11, 1998**

**Submitted to Regional Council
March 31, 1998**

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INTRODUCTION

On March 11, 1998 Regional Council directed:

“That the Budget Review Board identify a menu of alternatives for additional expenditure reductions to offset the impact of Provincial downloading. This menu of alternative expenditure reductions to include service level decreases and/or program elimination due to the non revenue-neutral scenario inherited from the Province as a result of new program responsibilities.”

Until such time as the Province of Ontario announces final numbers relating to “Who Does What” downloading impacts, it would be premature to contemplate any specific program reductions. Once the final Provincial numbers are released a separate report will be prepared suggesting a number of strategies to address whatever tax impacts exist at that time.

Notwithstanding the absence of specific budget reduction targets as a result of the lack of information from the Province, Management Committee is of the opinion that, in response to this direction from Council it would be useful to prepare a menu of all regional programs together with an indication of the consequences of reductions in those programs using the process developed in 1996 for Phase One of Corporate Review. These programs have been categorized as:

- Core Mandatory
- Core Discretionary
- Non-Core Discretionary - Priority 1
- Priority 2

It is recommended that this document be used by members of Council as a means for soliciting community input at their public consultation meetings during the intervening period leading up to the Policy Committee reviews of the 1998 Draft Estimates.

BACKGROUND

In 1996, the Region undertook a significant review of its core programs and levels of service. To a large extent, the need for this comprehensive review was spurred by the Federal and Provincial reductions in transfer payments to the Region and funding cuts to many programs. In addition, there was a strong belief that it made good business sense to look at why and how the Corporation provides its services in order to ensure that it can continue to respond to fiscal pressures while maintaining and improving the economic vitality and quality of life in Ottawa-Carleton.

Serving, Improving and Saving

Early in the Corporate Review senior management established guiding principles and values which can be summarized under the three main themes of **servicing, improving and saving**. **Servicing** our customers in the best possible way was a strong goal of Corporate Review and remains an on-going focus for this Corporation. **Improving** our internal operations through a clear definition of responsibility of all functions and through increased accountability for performance was also an important aspect of the review process. As well, through the Corporate Review process **Savings** were identified throughout the Corporation with a strong emphasis placed on achieving as much of

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the savings as possible in administrative efficiencies, thereby minimizing the impact on programs.

Identifying Core and Non-Core Discretionary Programs and Service Levels

As part of the Corporate Review, a formal process was put in place early in 1996 to identify core and non-core discretionary programs and levels of service. Over several months, departments undertook an intensive assessment of all programs and service levels. This was followed by a peer review exercise by senior management to ensure corporate consistency and to provide a true corporate picture.

Each program was categorized as Core Mandatory, Core Discretionary, Non-Core Discretionary-Priority One and Non-Core Discretionary-Priority Two. Core programs included those programs that are required by legislation or essential for the well-being of the community. Non-core programs are those programs that are beneficial or necessary but not essential to ensure that the community functions. A more detailed description of the definition of Core Mandatory, Core Discretionary, Non Core Discretionary - Priority One and Discretionary - Priority Two is attached as Annex A.

Emphasis on Administrative Savings

The 1996 Corporate Review clearly demonstrated that the great majority of programs and services provided by the Region affect the lives of every citizen in the Region, every hour of every day. The goal of Phase One of Corporate Review, therefore, was to identify extensive efficiency improvements throughout the corporation in order to maintain as many programs as possible and minimize the impact on levels of service. At the same time, senior management

agreed upon a hierarchy of savings to address on-going funding issues. First, they would implement all possible administrative efficiencies, then they would review operational efficiencies, followed by level of service reductions, examination of alternative funding sources and lastly, program elimination.

Savings identified from Phase I of Corporate Review

Phase I of Corporate Review identified \$11.2 million of savings in the Region Wide Fund. Of the \$11.2 million approximately \$7.8 million of the savings came from internal efficiency and operating improvements. By way of examples, the Improving Client Services effort in the Social Services Department lead to a savings of \$775K, the improvements in winter operations lead to a savings of \$1.4M, the reorganization of service delivery in Homes for the Aged \$1.1M and the merger of the former Environmental Services Department and Transportation Department coupled with adjustments in support functions due to the significant reduction in capital budgets, saved another \$1.0M.

In addition to the savings identified through administrative efficiency improvements, savings were also identified at the program and service delivery level including:

- \$1.2 million in the General Welfare Assistance program as a result of the change in eligibility criteria imposed by the province and the resulting reduction in caseload.
- \$1.35 million reduction in purchased services in the social services area from other service agencies and from the one time grant funding envelope.

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ADDITIONAL ADMINISTRATIVE EFFICIENCIES

In the last few years numerous initiatives have been undertaken across the Corporation aimed at achieving substantial administrative efficiencies and cost savings. These activities have been undertaken across all departments in both the hard and soft services as well as in the corporate services departments. Below is a listing of the major internal administrative efficiency initiatives. Details of the measures undertaken to achieve these efficiencies are provided in Annex B.

- Amalgamation of Property and Planning Departments and creation of Planning and Development Approvals Department
- Amalgamation of Transportation and Environment Departments
- Creation of Corporate Fleet Services
- Improving Client Service Initiative in Social Services Department
- Reorganization in the Health Department
- Homes for the Aged
- Corporate departments

ON GOING ADMINISTRATIVE EFFICIENCIES

In addition to the administrative efficiencies outlined above, a number of additional initiatives are currently underway within the Corporation. Below is a listing of these internal administrative

efficiency initiatives. Details of these measures to achieve additional efficiencies are provided in Annex C.

- Consolidation of functions between OC Transpo and the RMOC
- Financial Services Renewal
- The Year 2000 Project
- Homes for the Aged
- Additional Administrative Support Reductions

CORPORATE REVIEW - PHASE II

Phase I of the Corporate Review along with other administrative efficiencies that have been implemented over the past several years, has extracted significant savings from within the corporation. These measures along with the on going initiatives described above will continue to allow this corporation to provide services to the public in the most cost effective manner possible.

The measures implemented to date have had a relatively minor impact on programs and levels of service. They have allowed the corporation to freeze property taxes over the past four years for the vast majority of property tax payers in the Region while being able to absorb the continual downloading of services and funding cuts from the provincial government.

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Based on the program cost information provided by the province to date, the magnitude of the current downloading challenge facing this Region in 1998, realistically cannot be absorbed by the corporation solely through administrative efficiencies. Addressing the current challenge will require reduction and / or elimination of services that are currently provided to the public. Any adjustment to services will, in turn, then lead to a re-examination and adjustment of administrative support requirements.

To address Council's direction for a menu of alternatives, the Management Committee is providing a listing of all programs that have a direct impact on the public using the core and non-core categories developed for Corporate Review. These are attached to this document as Annex D. The "program menu" displays the resources, both financial and human, which are utilized in the provision of each service, along with providing an indication of the consequences of any reductions.

It is important to note that there is no implied ranking in the presentation of the program menu. The material is presented in a format that will allow members of Council and the public to review in a orderly fashion the many services provided by the Region.

In addition to the program menu material presented in Annex D, a review of the relationship between the financing of the capital program and how it impacts on the tax and rate supported operating budgets is presented in Annex E.

DEFINITIONS: PROGRAM / FUNCTION RANKING CATEGORIES

<p>Core Mandatory</p> <ul style="list-style-type: none">■ provincially legislated activity that must be provided■ may be flexibility in how you do it or how much you do■ no one else in the community is ready, willing or able to provide program/function

<p>Core Discretionary</p> <ul style="list-style-type: none">■ provides program/function to a significant segment of the public or our internal customers■ continuing this program/function is essential to provide clearly identified standards of health and safety and to ensure that the community functions■ a business case for continuation of this program/function can be clearly made■ the public/customer places a very high value on the program/function■ this program/function has long-term social benefits that can be quantified■ providing this program/function has substantial impact on the community■ essential for the internal administration of Regional Government
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Non Core Discretionary - Priority 1

- strongly connected to the Department's/Corporation's vision, purpose and priorities
- makes an important quality of life impact on select groups
- may be a program/function people are willing to pay extra for
- loss of these activities would noticeably diminish the health and safety of the groups served
- significant impact on health, safety or quality of life if program/function no longer provided
- good potential for another program/function provider or alternate program/function delivery
- these activities clearly differentiate this Region from other municipalities and have a measurable impact on health, safety and quality of life
- not all other municipal governments provide this program/function
- continuation of the program/function has potential long-term benefits
- necessary for the internal administration of Regional Government

Non Core Discretionary - Priority 2 (Note: programs in this category were eliminated in the 1996 Review)

- impossible to quantify the enhancement to health, safety and quality of life
- beneficial but not essential to the internal administration of the Region
- limited correlation between the benefits derived and level of investment
- provides some benefit to a small group
- limited or no measurable impact if the program/function is no longer provided
- definitely another program/function provider or alternate program/function delivery
- the cost/program/function can be postponed
- very few municipal governments provide this program/function

ADDITIONAL ADMINISTRATIVE EFFICIENCIES**Amalgamation of Property and Planning Departments and creation of Planning and Development Approvals Department**

Several years ago the Corporation achieved administrative savings through the amalgamation of the former Property and Planning Departments. These savings and administrative efficiencies were further augmented by the merging of the former Transportation Department's planning function as well as Geographic Information Systems (GIS) staff from Finance with the existing Planning Department to form the new Planning and Development Approvals Department. In addition to providing savings to the Corporation, this merger also facilitated a more integrated approach to planning and policy development on land use, transportation, environmental issues. As well, further efficiencies and improvements in levels of service were achieved by implementing a "one window" approach to development approvals. In the "one window" approach, planning, engineering and transportation issues related to development approvals are centralized in one location. Since the creation of this amalgamated Department 12 FTE positions have been eliminated with budgetary savings of \$250,000.

Amalgamation of Transportation and Environment Departments

As a result of the 1995 amalgamation of the former Environmental Services and Transportation Departments, the new Environment and Transportation Department went from 2 to 1 Commissioners, 11 to 7 Directors, and 44 to 25 Managers for an overall management reduction of 24 positions, or 42%.

Before the amalgamation, the former Environmental Services and Transportation Departments had a total of 1,252 full time equivalents. In 1998, this number has been reduced to 944. This represents a decrease of 308 positions; taking transfers into account, this results in a net reduction of over 200 full time equivalents.

The Finance and Operations Support Division has streamlined functions to support the Department's five main business functions (Water, Sewer, Solid Waste, Roads, Signs and Signals). Since the amalgamation, there are 30 fewer staff in the Finance and Operations Support group.

There have also been substantial operational reductions in the sewer and water services, which has resulted in lower costs to customers. In 1993, the revenue generated from the sewer surcharge rate amounted to approximately \$59.1 million, the sewer levy \$18.6 million and the contingency fund \$5.8 million for a total of \$83.5 million. In 1998, the estimated revenues from the sewer surcharge rate is \$47.8 million and the sewer levy \$10.0 million for a total of \$57.8 million. This represents a reduction of almost \$26 million.

In 1993, the revenue generated from the water rate amounted to \$53.1 million and from the fire supply rate \$13.4 million for a total of \$66.5 million. In 1998, the estimated revenue from the water rate is \$48.6 million and the fire supply \$11.6 million for a total of \$60.2 million. This represents a reduction of over \$6 million or over 10%, at a time when the customer base increased by 5.5% and inflation by about 8%.

The reductions in the water and sewer operations represent an overall reduction of \$32 million in resource requirements. This has been reflected in lower user rates and less taxes.

Corporate Fleet Services

Following an Internal Audit Review, Corporate Fleet Services was created in March, 1995. It includes the two large fleet operations from the former Transportation and Environmental Services Departments as well as vehicles serving the Homes for the Aged Department and Health Department. One of the main goals of this amalgamation was to bring professional fleet management practices to the region while reducing cost. Since the creation of Corporate Fleet Services, the cost of running the Region's fleet of more than 500 vehicles and close to 700 engine powered small equipment has steadily fallen. Despite a Consumer Price Index increase of 4.5 per cent over the last two years for the operation of automotive vehicles and a 9 per cent increase in kilometres driven, the actual cost to the Operating Division for vehicles has decreased significantly. To date more than \$1 million has been saved as result of this amalgamation. In addition, these reductions have been achieved simultaneously with an expansion in service. In fact, the Region's Corporate Fleet Services is now considered to be one of the top services of its kind in the municipal sector.

Improving Client Service Initiative in Social Services Department

The overall goal of the Improving Client Service (ICS) initiative has been to improve how the Social Services Department delivers services to clients through the study, redesign, planning and implementation of new business solutions. To meet this challenge head on, the ICS initiative's methodology has followed a three pronged approach that includes: business process re-engineering, change management and enabling technology. To date, this initiative has resulted in \$1.2 million in administrative savings. Through streamlining, efficiencies and caseload reductions there has been a reduction of 65 FTE's in 1996 and 1997. The Province's introduction of the Ontario Works

program and new social assistance legislation has impacted this initiative.

Reorganization in the Health Department

Following an Internal Audit Review, changes were made within the Department to improve accountability, flatten the management structure and designate more resources to direct service delivery. In addition, departmental support functions such as finance, administration, communication, planning and evaluation services were amalgamated into one organizational unit.

Homes for the Aged

Since 1992, in response to expenditure reductions driven by legislative and policy changes, Homes for the Aged has reduced its human resources complement by 112 FTEs and saved about \$2.7 million by reducing administrative costs, streamlining and eliminating unnecessary processes and reducing levels of service in indirect service areas. In addition, the department flat-lined non-personnel expenditure areas despite increases in food, water and hydro costs. Improved management information has assisted managers to track costs and adjust spending in a timely manner resulting in more efficient use of resources. Efforts to identify and implement process improvements is on-going and will result in additional cost reductions.

Corporate departments

In 1996 administrative support functions within the offices of the Chief Administrative Officer, the Regional Clerk, Internal Audit and Information and Public Affairs were streamlined resulting in a reduction of 1 FTE.

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Annex B

In Information and Public Affairs several efficiencies have been implemented in Printing Services resulting in staff reductions and the closure of a satellite office at 495 Richmond Road. Between 1995 and 1997, the overall budget for Printing Services was reduced by more than \$175,000.

The structure and delivery of Human Resource Services to operating departments has been totally redesigned and streamlined to make more effective and efficient use of current resources and realign the delivery of services to be more responsive to client needs.

A corporate supply management function has been established for the Corporation. In the past this service had been provided by the City of Ottawa Supply Branch through a purchase of service arrangement together with decentralized purchasing services throughout the corporation. The creation of this new corporate function has achieved savings of \$170,000.

To respond to the challenge of reduced subsidies, the effects of inflation and the desire to maximize service while not raising taxes or fares, OC Transpo undertook a complete review of its operations over the past few years. The financial result has been a reduction of \$11 million in operating costs since 1995.

In 1998, the budget proposes holding the line on taxes and fares (freeze pass prices at 1995 levels and introduce “deep discounts” for ticket fares) and an increase in service on the street. The budget also accounts for a salary and wage increase for staff effective 1 April. This has been accommodated to a great extent by a significant reduction in benefit costs across the entire operation.

OC Transpo

OC Transpo operates conventional transit services and services for physically disabled persons in Ottawa-Carleton.

Since 1993, Provincial subsidies have been either frozen or reduced steadily until 1998, the first year of no provincial funding.

ON GOING ADMINISTRATIVE EFFICIENCIES

Consolidation of Functions between OC Transpo and the RMOC

In 1997, both the Ottawa-Carleton Regional Transit Commission and Regional Council acknowledged that administrative and managerial efficiencies between the two organizations should be pursued. The initiative is designed to bring greater accountability for transit decisions to rest with all Regional Councillors and to take advantage of savings resulting from the amalgamation of administrations.

Regional staff have established a transition team, led by the Chief Administrative Officer to manage the process.

In addition, a comprehensive review of all other OC Transpo functions is being carried out. This review is expected to be completed by late 1998.

Financial Services Renewal

In 1997, Regional Council agreed to carry out a review of the Corporation's financial processes. The renewal will:

- ensure sound management of the RMOC financial and other business resources;
- ensure that all managers have the tools, skills and advice required to fulfil their management responsibilities; and
- provide information both internally and externally in a manner that demonstrates accountability.

The decision to invest in new financial systems and processes included the requirement to replace the current systems which are not Year

2000 compliant. The proposed change will leverage efficiency gains sufficient to reduce the net present cost of providing Year 2000 compliance to \$1.4 million. The business case identified administrative efficiencies equivalent to \$1.5 million per year.

A steering committee, composed of representatives from across the Corporation, and led by the Finance Commissioner, have developed a new vision for RMOC's financial business practices, have completed a benchmarking exercise, mapped our current processes and set a number of objectives to guide the change process. This initiative is now in partnership with OC Transpo, who will also address their human resource information system and their vehicle maintenance system. The sharing of this business application between OC Transpo and the RMOC results in savings in software licensing costs and implementation costs.

Once running in 1999, this system will be state-of-the-art. RMOC will change its business practices to achieve efficiencies, improve effectiveness, and ensure that our business systems will prepare us for the future.

The Year 2000 Project

In the fall of 1997 a Year 2000 Project Office was set up to provide a central focus for addressing Year 2000 related issues within RMOC. A key component of the Region's Year 2000 strategy is to create a comprehensive inventory of all automated systems throughout the Corporation, and to analyze the business risks associated with the failure of these systems. The first step in this risk analysis is to identify systems that can be eliminated or replaced.

It is expected that as a result of conducting this system review and risk analysis that opportunities will be created for the implementation of additional administrative efficiencies.

Homes for the Aged

Replacement of Island Lodge with two new facilities will see a new service delivery model that, through building / staff efficiencies and increased residential revenues, will result in a reduced annual net operational requirement of approximately \$1 million.

Additional Administrative Support Reductions

Any reductions or elimination of programs provided to the public by the Region's operating departments will lead to further re-examination and reduction of administrative support requirements.

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ANNEX D

DEPARTMENT: ENVIRONMENT & TRANSPORTATION PROGRAM GROUP: INFRASTRUCTURE MAINTENANCE

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Drainage Maintenance	<ul style="list-style-type: none"> • Drainage of regional roads 	2,260	2,260	9.0	<ul style="list-style-type: none"> • Increased safety and health issues. • Significant reduction in pavement life. • Reduction in litter pickup; increases costs of mowing, encourages secondary growth and affects the rate of stormwater runoff which leads to progressive failure of the road base; and impacts tourism.
Winter Maintenance	<ul style="list-style-type: none"> • Snow removal and maintenance of Regional roads. 	14,900	14,600	54.0	<ul style="list-style-type: none"> • Increased traffic travel time and congestion • Increased collisions / accidents • Less safe for all including school buses, commercial vehicles etc. • Increases in the time between snow clearing cycles. • Increase in the incidence of snow pack frozen to the roadways. • Increase in the formation of ice on paved surfaces resulting in increased accidents, property damage and deaths.

DEPARTMENT: *ENVIRONMENT & TRANSPORTATION* PROGRAM GROUP: *INFRASTRUCTURE MAINTENANCE*

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Hardtop Maintenance	<ul style="list-style-type: none"> Asphalt maintenance (ie : patching and crack sealing) 	2,740	2,360	19.0	<ul style="list-style-type: none"> Increased response time for emergency services (fire, ambulance, police and public transit vehicles) Detrimental economic impact to businesses Road closures Reduced ability to properly coordinate with the needs of others. Increase in the number and size of potholes resulting in increased vehicle damage and accidents. Increased penetration of sub-grade by melt water which undermines the sub-grade and causes progressive pavement failure resulting in a 10 fold increase in the cost for rehabilitation.
Engineering Reviews	<ul style="list-style-type: none"> Site plan / subdivision service reviews as delegated by MOEE <p><i>See Non Core Discretionary for associated Engineering activities.</i></p>	577	577	11.0	<ul style="list-style-type: none"> Reduced economic growth in the private sector because of an inability to give timely response to meet clients needs (eg : Nortel Development fast tracking). Reduction in environmental protection and high quality of life.

DEPARTMENT: *ENVIRONMENT & TRANSPORTATION* PROGRAM GROUP: *MOBILITY SERVICES*

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
<p>9-1-1</p>	<ul style="list-style-type: none"> • Purchased service from the Ottawa Carleton Police 	<p>1,400 1,400</p>	<p>N/A</p>	<ul style="list-style-type: none"> • Compromises public safety • FTE reductions would affect Police dispatch centre • Incremental Bell Canada cost to residents would result. • Increased emergency response time
<p>By-Laws Administration</p>	<ul style="list-style-type: none"> • Development and maintenance of all Regional ByLaws. <p><i>See Non Core Discretionary for associated activities: Special Events Permits and Bylaw Administration.</i></p>	<p>420 220</p>	<p>2.8</p>	<ul style="list-style-type: none"> • Bylaws (public safety at risk, bylaws not managed and not coordinated, non-protection of right of way) become unenforceable ie : unable to issue fines on any new regulation. • Negative economic impact on businesses (loading and parking zones would not be enforceable). • Legal implications of not managing Councils bylaws ie : Roads bylaw • Less timely or no response to Councillor / Public inquiries • Lost revenue

DEPARTMENT: ENVIRONMENT & TRANSPORTATION		PROGRAM GROUP: MOBILITY SERVICES		
CORE DISCRETIONARY				
Program Title	Description of Program	Program Cost Gross \$000	FTE's	Consequences of Reductions
Safety & Traffic Studies	<ul style="list-style-type: none"> Safety improvement studies, review existing and potential safety and operational concerns. 	1,300	37.0	<ul style="list-style-type: none"> Traffic safety concerns not addressed. Reduced activity on issues such as traffic calming, cycling and pedestrian safety. Preventive measures to reduce crashes would be lessened. Reduce collision statistics in support of Departmental and Police initiatives. Less timely or no response to Councilor / Public inquiries.
Traffic Operations	<ul style="list-style-type: none"> Monitor and maintain traffic control signals (eg : turn arrows) Install and repair traffic signs on Regional Roads. Apply pavement markings (arrows, lane markings etc.) <p><i>See Non Core Discretionary for Associated Activity: Update Traffic Signal Timing</i></p>	7,400	76.0	<ul style="list-style-type: none"> Deterioration of the existing pavement markings resulting in safety concerns and increased crashes. Increased traffic congestion Lose management and control of traffic on the regional roads system Increased pollution and road rage. Delays to public transit. Increased legal/public liability if signs not replaced in a timely manner.

DEPARTMENT: ENVIRONMENT & TRANSPORTATION PROGRAM GROUP: INFRASTRUCTURE MAINTENANCE

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Bridge and Culvert Maintenance / Inspection	<ul style="list-style-type: none"> Maintain Bridges and Culverts on the Regional road system. 	695	683	7.0	<ul style="list-style-type: none"> Failure to identify and repair hazards will affect public safety. Reduced level of maintenance will result in increased rehabilitation/replacement costs and acceleration of Capital needs. Increased structure corrosion Increased rate of deterioration of bridge expansion joints and bridge decks. Increase in culvert deterioration and failures which accelerate need for increase in capital investment.
Safety Device Maintenance	<ul style="list-style-type: none"> Maintain and install Guiderails / Safety barriers. Safety barrier inventory 	280	274	2.0	<ul style="list-style-type: none"> Reduced road safety Increased failure of safety device results in increased property damage, severity of crashes and deaths.
Buildings and Grounds	<ul style="list-style-type: none"> Upkeep of 14 Regional Facilities, including 2 new facilities resulting from the Provincial downloading. 	1,300	1,150	8.0	<ul style="list-style-type: none"> Increased deterioration of existing structure resulting in increased cost to replace rather than repair. Operational interruptions.

DEPARTMENT: ENVIRONMENT & TRANSPORTATION PROGRAM GROUP: ENGINEERING

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
<p>Engineering Services</p>	<ul style="list-style-type: none"> • Design, implementation and management of the ETD capital program. • Water, Sewer, Solid Waste, Transportation and Transit 	<p>3,360 3,210</p>	<p>109.0</p>	<ul style="list-style-type: none"> • Inability to address needs as recommended by Council through the Master Plan process and the Official Plan review. • Deterioration of existing assets resulting in future increased costs for replacement (regional water, sewer and road system; 75 to 80% of program is rehabilitation) • Required to ensure environmental protection and to sustain economic activity (jobs) • Required to meet provincial environmental regulatory requirements • Failure to participate in partnerships with public and private sector agencies will result in increased costs to community.

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DEPARTMENT: ENVIRONMENT & TRANSPORTATION		PROGRAM GROUP: MOBILITY SERVICES		
NON CORE DISCRETIONARY				
Program Title	Description of Program	Program Cost Gross \$000	FTE's	Consequences of Reductions
Update Traffic Signal Timing	<ul style="list-style-type: none"> Design, implement and evaluate updated traffic signal timing. 	90	1.0	<ul style="list-style-type: none"> Increased traffic congestion resulting in increased road rage and delays to public transit. Inability to respond to Councillor / Public complaints. Increased pollution (emissions and noise) Greater energy consumption
Management of Region's green assets	<ul style="list-style-type: none"> Turf and trees, ie : mowing (urban & rural), tree trimming and tree management. 	1,128	8.0	<ul style="list-style-type: none"> Impedes Regional policy on green assets. Growth of noxious weeds in urban area. Safety reduced due to diminished sight lines. Impacts quality of life and tourism. Negative impact on community and tourism Business and traffic disruption Safety issues

DEPARTMENT: ENVIRONMENT & TRANSPORTATION		PROGRAM GROUP: MOBILITY SERVICES		
NON CORE DISCRETIONARY				
Program Title	Description of Program	Program Cost Gross \$000	FTE's	Consequences of Reductions
Special events permits	<ul style="list-style-type: none"> Issue parades and special events permits in accordance with Regional By-laws. 	20	1.2	<ul style="list-style-type: none"> Increased inconvenience to the public ie : businesses, local residents, churches etc, due to lack of coordination with municipalities, N.C.C. etc. Curtails special events
ByLaw Administration	<ul style="list-style-type: none"> Maintain, amend and approve area municipal traffic and parking bylaws (Requirement of Regional Municipalities Act). 	10	0.25	<ul style="list-style-type: none"> Reduce level of bylaw enforcement and coordination with area municipalities. Local traffic and parking bylaws unenforceable without RMOC approval.
EMU	<ul style="list-style-type: none"> Link with Provincial emergency preparedness authorities. Coordinate Emergency plans 	325	3.0	<ul style="list-style-type: none"> Emergency Measures readiness and action plans implementation eliminated Inability to respond to emergency situations.
Purchase Services	<ul style="list-style-type: none"> Citizens for Safe Cycling United Way Signage Adopt A Highway Signage O-C Safety Council Winterlude 	164	N/A	<ul style="list-style-type: none"> Reduced community support for programs. Reduced ability to educate public re : various safety issues. Increased burden on non profit organizations.

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DEPARTMENT: *ENVIRONMENT & TRANSPORTATION* **PROGRAM GROUP:** *SOLID WASTE*

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Waste Collection Activities	<ul style="list-style-type: none"> Collection of residential waste 	17,287	17,287	10.0	<ul style="list-style-type: none"> Required for public health of community. Inconsistent, inefficient costly levels and unhealthy levels of service would result if citizens had to arrange their own collection.
Waste Disposal - Trail Operations	<ul style="list-style-type: none"> Disposal of residential and other waste 	2,392	2,392	16.0	<ul style="list-style-type: none"> Material collected requires disposal The current Trail Road site provides both landfill space and competition to private disposal sites in O-C
Waste Disposal - Private Facility	<ul style="list-style-type: none"> Disposal of residential waste 	2,632	2,632	N/A	<ul style="list-style-type: none"> Material collected requires disposal Required within Minutes of Settlement that 1/3 of all residential waste in O-C is transferred to private site
Waste Diversion Group	<ul style="list-style-type: none"> To implement the 3Rs plan the development of a “waste diversion from landfill” system 	406	406	8.0	<ul style="list-style-type: none"> 3Rs initiative would not be met thereby accelerating the need for future landfill capacity. Harms the environment and erodes high quality of life.

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Annex D

DEPARTMENT: REGIONAL CLERK (OTHER)

NON CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
<p>Arts Grants</p>	<ul style="list-style-type: none"> The provision of grants to arts organizations and artists to foster the creation, presentation and public enjoyment of the arts in a regional context. (\$1.16 per capita) 	841	841	2	<ul style="list-style-type: none"> Arts Grants have already undergone significant cuts since 1993. Further reductions to an already diminished amount would have grave consequences to arts organizations who rely on the RMOC grants as critical to their operations. Reductions to grants allocated to arts organizations and artists would diminish the considerable economic activity generated by the arts, as well as lessen incentives for creative professionals to stay in the RMOC. Decreased funding would be detrimental to the quality of life in Ottawa-Carleton.
<p>Economic Development Grants.</p>	<ul style="list-style-type: none"> The provision of grants for initiatives which promote economic activity in Ottawa-Carleton. 	275	275		<ul style="list-style-type: none"> Reduced economic activity in Ottawa-Carleton, in particular, the economic benefits generated by festivals and tourism.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: FINANCE (OTHER)

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Remissions	<ul style="list-style-type: none"> To provide refunds of taxes levied on ratepayers in accordance with Section 496 of the Municipal Act. 	2,091	2,091		<ul style="list-style-type: none"> Legislation requires Region to pay these amounts.
Insurance	<ul style="list-style-type: none"> To purchase insurance coverages and administer self-insured programs to protect Regional assets. 	1,413	76		<ul style="list-style-type: none"> Reduction in insurance claim's management and increase exposure to uninsured loss for Regional assets. Certain coverage is required by legislation and can not be reduced.
Financial Charges	<ul style="list-style-type: none"> Represents costs of daily banking, cash management and expenditures associated with placing and servicing the Region's long term debt. 	3,067	2,946		<ul style="list-style-type: none"> The costs of contracted paying agency services, financial services and banking services are required to meet the Region's daily financial operations.
Debt Charges	<ul style="list-style-type: none"> Represents the debt service costs on long term debt issued for Regional purposes. 	63,630	63,630		<ul style="list-style-type: none"> Interest and principal payments are required to meet the terms of unmatured debentures. Outstanding debentures do not provide for early redemption by the Region. Budget program reduces as debt matures.

DEPARTMENT: FINANCE (OTHER)

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
<p>“Pay As You Go” program</p>	<ul style="list-style-type: none"> As an integral part of the Region’s Debt Management Strategy, provide annual contributions from the operating budgets to various reserve funds to allow for the cash financing of the Region’s capital program. <p><u>Tax Supported</u> Region Wide Transit Sewer Capital Levy Solid Waste - Existing Capacity</p> <p><u>Rate Supported</u> Water Operations Sewer Depreciation Solid Waste - Compensation Fund</p>	<p>13,500 13,000 5,300 <u>1,200</u> 33,000</p> <p>13,500 13,000 5,300 <u>1,200</u> 33,000</p> <p>22,042 11,889 <u>5,943</u> 39,874</p> <p>22,042 11,889 <u>5,943</u> 39,874</p>		<ul style="list-style-type: none"> Reduces Council's ability to fund the capital program on a pay as you go basis and will increase debt charges in the absence of corresponding reductions in the Capital Program. See Annex E for relationship between the Capital program and “Pay as you go”.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: *FINANCE (OTHER)*

NON CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Provision for Unforeseen	<ul style="list-style-type: none"> To provide limited funding for unforeseen items during the budget year. 	200	200		<ul style="list-style-type: none"> Hampers Council's ability to fund worthwhile projects that come up during the budget year. <i>Note: Of the \$200,000 provided in the 1998 Draft Estimates, \$185,000 has been pre-committed by Council.</i>

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: HOMES FOR THE AGED

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Recreation / Therapeutic	<ul style="list-style-type: none"> Recreation, leisure and education programs based on the abilities, strengths, needs, interests and former lifestyle of residents. An organized program to access therapy services for residents. 	1,152	348	22.75	<ul style="list-style-type: none"> Mandated by legislation and regulations. Reduction in staffing levels would limit the accessibility and variety of programs and eliminate evening and week-end programming. This would reduce the ability of the homes to support and enhance quality of resident life.
Dietary Services	<ul style="list-style-type: none"> Food services and dietetics. 	4,804	722	69.50	<ul style="list-style-type: none"> Mandated by legislation and regulations. There will be reductions in this function when Island Lodge is replaced.
Support Services	<ul style="list-style-type: none"> Housekeeping, laundry, plant and grounds maintenance, fire and disaster planning, contract administration. 	5,439	1,043	72.25	<ul style="list-style-type: none"> Mandated by legislation and regulations. There will be reductions in this function when Island Lodge is replaced.
Medical Services	<ul style="list-style-type: none"> Medical services to the residents, medical administration and staff education. 	44	14	0.00	<ul style="list-style-type: none"> Mandated by legislation and regulations.

DEPARTMENT: HOMES FOR THE AGED

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Nursing Services	<ul style="list-style-type: none"> Nursing services to meet residents' nursing and personal care needs, consistent with the practice of the College of Nurses of Ontario. 	16,514	5,377	316.40	<ul style="list-style-type: none"> Mandated by legislation and regulation. Reduction in staffing levels would directly impact hours of resident care per day potentially compromising quality of care and safety.
Volunteer Services	<ul style="list-style-type: none"> Recruitment, orientation, monitoring and retention of a strong, committed volunteer group. 	92	27	1.85	<ul style="list-style-type: none"> Mandated by legislation and regulation. Reduction in this function would reduce the ability to recruit and retain volunteers having a negative impact on resident quality of life.
Staff Education	<ul style="list-style-type: none"> Facility-wide and program specific orientation, health and safety training, skills training, staff development and education programs based on performance and program needs. 	151	46	2.50	<ul style="list-style-type: none"> Reduction in this function would reduce the departments ability to respond effectively to changes in regulation and client profile.
Social Work Services	<ul style="list-style-type: none"> Social work services to meet residents' psychosocial needs, admission and discharge planning. 	281	85	4.50	<ul style="list-style-type: none"> Mandated by legislation and regulations. Reduction in staffing levels would reduce the ability of social workers to provide clinical services to residents and families resulting in an increase in behavioural and adjustment problems.

DEPARTMENT: HOMES FOR THE AGED

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Facility Administration	<ul style="list-style-type: none"> Leadership and accountability, administrative support, financial services, transportation, records management, systems and communication. 	2,534 487	29.25	<ul style="list-style-type: none"> Mandated by legislation and regulations. There have been significant reductions in this area. There will be reductions in this function when Island Lodge is replaced.
Other Services	<ul style="list-style-type: none"> This group of services includes diagnostic, pharmacy, footcare and religious programs. 			<ul style="list-style-type: none"> These programs are mandated by legislation and are made available to residents on a combined provincial / user pay basis with no regional cost.

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Annex D

DEPARTMENT: *HOMES FOR THE AGED*

PROGRAM GROUP: *OUTREACH SERVICES*

OUTREACH SERVICES

NON CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Outreach Services	<ul style="list-style-type: none"> Services are provided to the community from Day Centres operated from Carleton Lodge and Centre d' Accueil Champlain The Centres provide services to maintain the frail elderly and cognitively impaired senior in the community and, when appropriate, assist in the transition from independent living to institutional care. Respite care services are provided at Island Lodge providing short stay care to seniors with Alzheimer's disease and related dementias to allow a period of psychosocial and physical relief for the caregivers who are maintaining the individual in the community. 	330 108	5.6	<ul style="list-style-type: none"> The department has a plan to move these programs to full cost recovery by 1999. Program reductions would decrease the ability of community caregivers to maintain their relatives at home resulting in earlier institutionalization and increased demand for scarce long term care beds.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: *PLANNING AND DEVELOPMENT APPROVALS* **PROGRAM GROUP:** *PROPERTY SERVICES*

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Real Estate	<ul style="list-style-type: none"> • The program includes purchase, sale and lease of real property interests. • Acquisition is generally in support of infrastructure related capital programs including roads, transitways, utilities, operation centers, HFTA. • Extensive lease negotiation related to Regional Police, Social Services, Health Departments. • Legislation requires re-registration of easements in favor of the Region prior to December 31, 1999. • The Real Estate Branch is responsible for identification and marketing of properties surplus to Regional requirements. 	<p align="center">545 229</p>	<p align="center">5.0</p>	<ul style="list-style-type: none"> • Inability to acquire land in support of Regional projects. • Inability to negotiate or re-negotiate leases in a timely manner in support of Regional objectives. • Risk Regional assets through inability to re-register easements prior to the end of 1999. • Reductions in this program will result in an inability to identify and market surplus land thereby reducing revenue potentials.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS	PROGRAM GROUP: PROPERTY SERVICES
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CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Regional Official Plan	<ul style="list-style-type: none"> The Council is required to have an Official Plan under the Planning Act. In 1998 a large part of the effort is directed to seeking approval of the new official plan through the OMB (Pre-hearing scheduled for the week of 4 May 98) through negotiations with appellants, and implementing the official plan through local official plan and zoning by-law amendments. The official plan identifies a number of areas where further work is required. (Eg. Corel Centre, Historic Land Use (contaminated sites)) Council from time to time identifies areas for additional work. (Eg. deletion of Airport Parkway.) 	850	850	11.25	<ul style="list-style-type: none"> Reductions would lead to a delay or cancellation of work. (Eg. Delay in having area municipalities amend their local official plans and zoning by-laws to achieve conformity with the Regional Official Plan, delay or cancellation of projects.)

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS		PROGRAM GROUP: PROPERTY SERVICES		
CORE MANDATORY				
Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Review and Approval of Provincially Assigned Functions	<ul style="list-style-type: none"> Council is required to carry out this function under the Planning Act and the Memorandum of Understanding signed with the Province. The Planning Act also identifies levels of service, ie time lines which are expected to be achieved. The Development Approvals Division provides a 'one window' service for all approvals under the Planning Act including water, waste water and transportation planning matters. This became operational 1 Jan 97. It is providing an improved level of service with fewer resources than before. 	1,236 1,236	19.2	<ul style="list-style-type: none"> With some indications that applications are rising, reductions in this area will result in a lower level of service, i.e. delays in processing applications with a result that time lines would not be met. This affects the Region's ability to meet developers' needs for approvals.

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i>	PROGRAM GROUP: <i>PLANNING</i>
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CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Land Division Committee	<ul style="list-style-type: none"> Council is required to ensure that applications for severances are dealt with. Council has delegated this function to the Councils of six municipalities (who in turn have delegated it to their Committees of Adjustment). The Village of Rockcliffe Park has asked for similar authority and a report will be forthcoming. 	126	126	2.0	<ul style="list-style-type: none"> Council could delegate the function to the other area municipalities. However fees are charged. These currently cover 78% of the total cost and would be lost, thus the monetary saving to the Corporation would be small. Furthermore, all area municipalities must be willing to accept the responsibility if the Region is to benefit. On balance, it is judged preferable to retain the responsibility to gain the benefits from economies of scale and to make sure the fees cover the costs. A reduction in the budget would result in a lower level of service, i.e. delays in processing applications.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i>	PROGRAM GROUP: <i>COMMUNITY SERVICES SECTION</i>
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CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Social Housing	<ul style="list-style-type: none"> Regional Council is required to pay for social housing provided by municipal and private non profit corporations and coops from 1 Jan 98. The 1998 budget provides for 0.5 FTE (on contract) to investigate and propose what Council's involvement and policy in this area might be. This work is to be carved out through the recently established Social Housing Working Group. 	25	25	0.5	<ul style="list-style-type: none"> This task is proving more difficult, onerous and drawn out than first thought. It is highly likely additional resources will be required to determine how Council should handle this new function. Once this is determined additional resources will be required to carry out Council's direction. Reductions to this program will result in Council receiving no professional advice on its potential involvement in social housing.

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i>	PROGRAM GROUP: <i>PROPERTY SERVICES</i>
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CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Property Management	<ul style="list-style-type: none"> • Other than the Ottawa-Carleton Centre this program looks after all owned and leased buildings other than those under Homes For the Aged and Environment and Transportation Departments. These include 495 Richmond Road, Police Facilities, Family Shelters, Daycare, Clinics, Social Services District Offices. • Most expenditures are charged back to line departments. • The Branch is responsible for the management of properties which have been acquired by RMOC and are either awaiting conversion to their intended use or may be surplus to Regional needs. This includes a portfolio of residential, commercial and vacant lands. • Morris Island and Carp Hills. 	8,868	840	29.4	<ul style="list-style-type: none"> • High level of recoverable expenditures in this program would have to be identified within client budgets. • There are legal obligations under existing signed leases and in the Region's role as landlord. • Expenditures are directly related to levels of service. Reductions in expenditures on owned buildings would result in lower level of service (eg janitorial care) delays in maintenance resulting in less favourable working conditions for employees. The long term deterioration of buildings would result.

1998 CORPORATE REVIEW

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DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS PROGRAM GROUP: PROPERTY SERVICES

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
<p>Ottawa-Carleton Centre</p> <ul style="list-style-type: none"> • The Branch is responsible for the administration of all natural environment areas and River Corridors, such as Marlborough Forest, Petrie Island, Long Island, • This program looks after the Ottawa-Carleton Centre. It includes day to day operational requirements, security and routine maintenance. The 2.3% reduction already proposed includes reducing the costs of security at Ottawa-Carleton Centre by substituting video camera monitoring for current security procedures. 		3,151	3,151	13.9	<ul style="list-style-type: none"> • Reductions in expenditure would result in lower levels of service e.g. janitorial care, delays in maintenance resulting in less favourable working conditions for employees. In the long term, a deterioration of the building and an 'image' problem for the Region would result.

DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS	PROGRAM GROUP: GEOMATICS
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CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Surveys and Mapping	<ul style="list-style-type: none"> • This program delivers three services: <ul style="list-style-type: none"> a) Legal surveys b) Construction & Engineering Surveys c) Mapping Services • All three are integral to the program and operations they serve. The level of effort is determined by the line departments. A major project in 1998 and 1999 is the identification and registration of all easements in favour of the Region. This is required by legislation. 	1,987	1,151	17.0 9.0 7.0	<ul style="list-style-type: none"> • The surveying profession is experiencing rapid change, eg use of Global Positioning Systems (GPS). Failure to invest in new technology will mean productivity improvements will not be captured. Staff are examining ways to improve productivity in this program. Reduction in this program will result in cancellation of some projects, less recoveries, backlog and delays in providing input to line departments. Particularly to complete property acquisitions or disposal. There is also the potential of future liabilities because of our inability to meet legislative requirements. Reductions could also affect provision of services to City of Ottawa survey crews currently managed by our staff.

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DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS PROGRAM GROUP: GEOMATICS					
CORE DISCRETIONARY					
Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Geographical Information Systems (GIS)	<ul style="list-style-type: none"> • This program delivers two services: <ul style="list-style-type: none"> a) GIS Services This program provides GIS services to all departments and the area municipalities. The Region has financial and legal obligations to SHL, Teranet (for POLARIS data) and the area municipalities for the Municipal Applications Partnership. GIS is a key part of the Region's drive to improve the quality of what we do and improve levels of service while reducing or containing budgets. b) Graphics Services The Graphic Unit prepares all revised schedules of the official plan due to official plan amendments, by-law amendments, thematic mapping, displays and exhibits for public meetings, for property acquisition, disposal, for subdivision and other development applications and approvals, as well as managing the department's data bases. 	1,322	1,322	15.0	<ul style="list-style-type: none"> a) Reductions to this program at this point would set back the program significantly and result in loss of the additional benefits. The first applications under the MAP are now being delivered and benefits already flowing. The second and third level applications are in various stages of development. b) Reduction in this unit will result in some of the mandated programs like official plan amendments and by-laws not completed or finalized. Reduction will also affect our ability to prepare appropriate exhibits and displays for policy committee meetings, public meetings or with the private sector.

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i>	PROGRAM GROUP: <i>PLANNING</i>
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CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Economic Planning	<ul style="list-style-type: none"> The business park development function is Core Mandatory as it is legislated. It is becoming increasingly important as the supply of municipal land is reducing. Other parts of the work are Core Discretionary as they have potentially significant benefits to the community through job creation and economic development. 	213	213	3.0	<ul style="list-style-type: none"> Reductions will result in less work being done resulting in cancellation or delay of projects. Eg fabrication plant, research park, data analysis in support of OCEDCO, Convention Centre.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i> PROGRAM GROUP: <i>PLANNING</i>					
CORE DISCRETIONARY					
Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Transportation Planning	<ul style="list-style-type: none"> • This is integral to the official plan. It has a high value to the community, brings social benefits (high transit ridership, less air pollution) and has a significant impact on the Community (quality of life). The work falls in four categories: <ul style="list-style-type: none"> a) Collection and analysis of data. This is important to understand trends, to identify changes and to model future scenarios. b) Existing studies and projects where commitments have already been made. eg. Blackburn By Pass Extension EA, Terry Fox Drive EA. 	1,074	674	14.25	<ul style="list-style-type: none"> • Reductions would result in delay or cancellation of projects. Some projects are already committed. Reductions would therefore be concentrated on new projects.

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Annex D

DEPARTMENT: <i>PLANNING AND DEVELOPMENT APPROVALS</i>	PROGRAM GROUP: <i>PLANNING</i>
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CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
	<p>c) New projects proposed for 1998 and beyond. These are identified in the Official Plan or Transportation Master Plan and include such things as: Pilot Rail, Transportation Demand Management, Interprovincial Bridges.</p> <p>d) Projects responding to area municipal or private major development proposals or transportation issues which require analysis as the need arises. Some are already committed eg Airport Parkway Extended Traffic Impact Study.</p>				

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: *PLANNING AND DEVELOPMENT APPROVALS* **PROGRAM GROUP:** *PLANNING*

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross Net \$000 \$000	FTE's	Consequences of Reductions
<p>Water and Wastewater Planning</p>	<ul style="list-style-type: none"> • These are integral to the official plan. They have a high value to the community, bring environmental benefits (clean water) and have a substantial impact on the community (ensure services are provided just in time for development, thus providing for the continued economic development of the community). a) The Flow Management Strategy which is a key component of providing more sewer capacity to allow increased development inside the greenbelt (a key component of the official plan). In 1998 a pilot study of the Rideau River Collector is proposed. 	<p>336 336</p>	<p>4.5</p>	<ul style="list-style-type: none"> • Reductions would result in lower levels of service, i.e. delays primarily in responding to complex or large planning applications

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Annex D

DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS PROGRAM GROUP: PLANNING

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
	<p>b) Projects responding to area municipal or private development proposals or water and waste water issues. Some are already committed e.g. West Urban Water and Wastewater Assessment. Others are in prospect are Rockcliffe Air Force Base Redevelopment and Manotick Servicing Proposals.</p>				

DEPARTMENT: SOCIAL SERVICES		PROGRAM GROUP: SOCIAL ASSISTANCE			
CORE MANDATORY					
Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Ontario Works	• Income Supports	220,452	27,795	--	• Mandatory program.
	• Staffing Program Supports	25,103	12,938	461.0	• Staffing program supports to provide this mandatory service in a timely fashion.
Ontario Works	• Employment Supports (Employment/placement expenses and child care)	6,674	215	--	• Mandatory program.
	• Staffing Program Supports	4,385	815	66.0	• Staffing program supports to provide this mandatory service in a timely fashion.
Special Necessities	• Surgical and diabetic supplies, medical transportation.	1,523	99	--	• Mandatory program.
Special Assistance	• Funerals and burials.	621	124	--	• Mandatory program.
Special Assistance	• Optical Services - Children	66	30	--	• Mandatory program.
Special Assistance	• Dental Services - Children	748	356	--	• Mandatory program.

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DEPARTMENT: SOCIAL SERVICES		PROGRAM GROUP: SOCIAL ASSISTANCE		
CORE MANDATORY				
Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Overpayment Recovery *	<ul style="list-style-type: none"> • Recovery of GWA overpayments. 	254 76	5.0	<ul style="list-style-type: none"> • Mandatory program.
Commissioner of Social Services	<ul style="list-style-type: none"> • Administration of welfare program. 	150 75	1.0	<ul style="list-style-type: none"> • Mandatory program.
Eligibility Review *	<ul style="list-style-type: none"> • Prevention, investigation and prosecution of social assistance fraud. 	856 71	16.0	<ul style="list-style-type: none"> • Mandatory program.
Parental Support *	<ul style="list-style-type: none"> • Joint Provincial/Regional program to assist GWA/FBA clients to seek and enforce family support orders. <p><i>* Program is mandated, service levels could be altered.</i></p>	265 139	5.0	<ul style="list-style-type: none"> • Mandatory program.

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Annex D

DEPARTMENT: SOCIAL SERVICES		PROGRAM GROUP: CHILD CARE		
CORE MANDATORY				
Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Child Care	<ul style="list-style-type: none"> Provision of quality child care to meet the needs of families and children within Ottawa-Carleton. 	49,644 10,950	185.0	<ul style="list-style-type: none"> Mandatory program.

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Annex D

DEPARTMENT: SOCIAL SERVICES

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Special Assistance	<ul style="list-style-type: none"> Health, employment, accommodation and other supplementary benefits essential to meet client needs. 	12,177	4,395	--	<ul style="list-style-type: none"> Negative impact on client health, (i.e. dental, vision, prosthetics). Lack of supports for employment negatively impacts clients' ability to obtain and retain employment (training and transportation). Loss of essential furniture (beds) and appliances (fridges and stoves) will limit choice of accommodation and may lead to longer stays in shelters. Will eliminate/reduce cultural interpretation and the obtaining of essential identification documents, etc.; potential increased social assistance costs and decreased employment opportunities.

DEPARTMENT: SOCIAL SERVICES

CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Hostels and Family Shelters	<ul style="list-style-type: none"> Essential accommodation for homeless persons, and persons requiring residential care for psychiatric and developmental disabilities. 	10,964	1,617	37.0	<ul style="list-style-type: none"> Homeless persons remain on street. Persons with psychiatric and developmental disabilities likely to become homeless.
Community Resource Centres	<ul style="list-style-type: none"> Grants to community based health and social services including counselling, food programs and emergency services. 	2,974	2,974	--	<ul style="list-style-type: none"> Negative impact on communities. Inability to obtain essential support services locally.
Community Houses	<ul style="list-style-type: none"> Grants for neighbourhood based initiatives to meet specific requirements, i.e.: community kitchens, homework clubs, peer support. 	95	95	--	<ul style="list-style-type: none"> Eliminates ability to provide neighbourhood and community based initiatives.
Counselling and Personal Supports	<ul style="list-style-type: none"> A range of grants for personal support services to meet client needs, i.e.: counselling and personal supports (YSB, Family Service Centres, Distress Centres). 	1,900	1,900	--	<ul style="list-style-type: none"> Further reduction or elimination would result in significant erosion of social safety net which is already struggling to meet service demands.

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Annex D

DEPARTMENT: <i>SOCIAL SERVICES</i>		PROGRAM GROUP: <i>COMMUNITY RELATIONS</i>			
CORE DISCRETIONARY					
Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Day Programs	<ul style="list-style-type: none"> Supports to homeless and psychiatrically and developmentally disabled individuals requiring secure and structured day time environment. 	1,556	1,556	--	<ul style="list-style-type: none"> Potential closing of essential community services for eight day programs; residents of various shelters and marginally housed would have no day time alternatives resulting in increased population of street people.
Homemaker Services	<ul style="list-style-type: none"> Purchased services to assist families and individuals with homemaking services to maintain independent living. 	1,989	398	--	<ul style="list-style-type: none"> Potential institutionalization with increased costs. Increased security risks for families remaining in their homes. Permits other family members to maintain employment avoiding potential reliance on social assistance.
Home Management	<ul style="list-style-type: none"> Home Management Counselling service and in-home help service for people in financial need. 	1,166	264	33.0	<ul style="list-style-type: none"> Loss of essential training and subsequent employment opportunities for clients.
Food Programs	<ul style="list-style-type: none"> Provides grocery items to families and individuals in urgent need. 	194	194	--	<ul style="list-style-type: none"> Increased hunger in the community.

DEPARTMENT: <i>SOCIAL SERVICES</i>		PROGRAM GROUP: <i>COMMUNITY RELATIONS</i>			
CORE DISCRETIONARY					
Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Program Delivery - Community Relations	<ul style="list-style-type: none"> Program Delivery salaries and administrative supports for the Community Relations division. 	661	419	9.0	<ul style="list-style-type: none"> Current staff levels are required to: implement Ontario Works objectives with regards to community participation, employment placement and employment supports, adequately respond to emerging community needs, manage various funding streams.
100% Municipal Assistance	<ul style="list-style-type: none"> This provision provides for the top up to the Trillium drug program as well as providing funds to cover emergency client needs not eligible for cost-sharing. 	90	90	--	<ul style="list-style-type: none"> Reductions to the drug component would mean individuals would not be able to obtain drugs necessary to maintain physical and mental health. Reductions to the provision to meet emergency needs would reduce the department's flexibility in meeting crisis needs of individuals and families that are not provided for in legislation.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: SOCIAL SERVICES		PROGRAM GROUP: COMMUNITY RELATIONS		
NON CORE DISCRETIONARY				
Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
Community Funding	<ul style="list-style-type: none"> Grant to Charitable Maternity Home (St Mary's) 	20 20	--	<ul style="list-style-type: none"> Will increase challenges under the MCSS Child and Family Services envelope. Lack of flexibility to respond to emerging community needs. Expectation gap as agencies have completed 1998 allocation exercise. Loss of departmental flexibility on service development partnerships.
	<ul style="list-style-type: none"> One Year Grants 	347 347		

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: HEALTH

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Chronic Disease Prevention	Work with community partners including community agencies, workplaces, health professionals, food industry and schools to facilitate the adoption of tobacco free living, physical activity, healthy eating and healthy weights through information, education, advocacy, enforcement and environmental change.	3,786	1,291	56.3	<ul style="list-style-type: none"> • Increased incidence of preventable chronic diseases. • Increased burden on hospital and long term care facilities as well as all other community agencies in the region.
Early Detection of Cancer	<ul style="list-style-type: none"> • Work with community groups, women and health professionals to increase breast and cervical cancer screening. 	494	191	8.1	<ul style="list-style-type: none"> • Decreased proportion of women screened appropriately for breast and cervical cancer.
Injury Prevention including Substance Abuse prevention	<ul style="list-style-type: none"> • Work with police, workplaces, health professionals and community groups to prevent injuries caused by drownings, motorized vehicles, bicycle crashes, particularly by reducing alcohol abuse, illicit substance use. • Work with community partners to support policies and educate the elderly to prevent fall-related injuries 	1,742	673	28.4	<ul style="list-style-type: none"> • Increase in the rate of injuries caused by cycling crashes and motorized vehicle crashes. • Increase in the percentage of the adult population who drink more than two drinks per day, or use illicit substances. • Increase in the rate of fall-related injuries in the elderly (aged 65+ years).

DEPARTMENT: HEALTH

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Sexual Health	<ul style="list-style-type: none"> • Provide clinical services. • In conjunction with community partners ensures the provision of programs to the public that promote appropriate individual reproductive and sexual health choices. 	1,580	237	21.9	<ul style="list-style-type: none"> • Reduction in availability and clinic services. • Increased burden on family physician, community health centres, walk-in clinics and hospitals. • Increased number of adolescent pregnancies with adverse impacts on mothers and children.
Child Health	<ul style="list-style-type: none"> • Peer visiting to “at risk” and high risk families. • Health promotion strategies to promote child health/healthy parenting. • Coordination of services for at risk and high risk children. • Provision of the Children in Need of Treatment (CNIOT) program. 	3,741	871	49	<ul style="list-style-type: none"> • Children are not as “school ready” as they might be. Failure to develop properly in this key period has lifelong impact and multiple health consequences.
Control of Infectious Diseases	<ul style="list-style-type: none"> • Assist in the identification and appropriate responses to outbreaks. • Outbreak control in institutions • Investigation of high risk enteric iseases. 	282	108	4.5	<ul style="list-style-type: none"> • “High risk” parents are not supported in their roles, contributing to more abused children. • Increased morbidity due to institutional outbreaks.

DEPARTMENT: HEALTH

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Program Cost Net \$000	FTE's	Consequences of Reductions
Health Hazard Investigation	<ul style="list-style-type: none"> Identify, investigate and manage environmental health hazards. 	252	95	4.0	<ul style="list-style-type: none"> Increased public exposure to health hazards (e.g. rats, poor air quality, sewage chemicals).
Food Safety	<ul style="list-style-type: none"> Inspect food premises based on Ministry protocols, investigate complaints, provide food safety training and information. 	1,448	546	23	<ul style="list-style-type: none"> Increased incidence of food-borne illness (food poisoning) in the population. Reduced knowledge regarding food safety in the community.
Rabies Control	<ul style="list-style-type: none"> Investigate all animal bites involving humans, provide post-exposure rabies treatment and ensure rabies vaccination. 	69	26	1.1	<ul style="list-style-type: none"> Increased incidences of human cases of rabies. Reduction in rabies vaccination rates in animals.
Tuberculosis (TB) Control	<ul style="list-style-type: none"> Provide an effective program for prevention of tuberculosis and treatment of those with active TB. 	510	197	8.3	<ul style="list-style-type: none"> Increased incidence and transmission of tuberculosis.
Vaccine Preventable Diseases	<ul style="list-style-type: none"> Promote immunization to the public. Provide immunization surveillance for schools, day cares and nursery schools. 	1,587	911	25.8	<ul style="list-style-type: none"> Delays and interruptions in local vaccine availability and resulting increased risk of outbreaks of communicable diseases. Increased morbidity and mortality in vulnerable populations.

1998 CORPORATE REVIEW

Annex D

DEPARTMENT: *HEALTH*

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
<p>Safe Water</p> <p>Infection Control</p>	<ul style="list-style-type: none"> • Bathing beach monitoring. • Public water supply monitoring. • Inspect institutions (Nursing Homes, Homes For the Aged, Day Cares, Residential facilities, hospitals). • Inspection of personal care facilities (barbers, beauty, tattoo, body piercing, etc.). 	<p>31 12</p> <p>69 26</p>	<p>0.5</p> <p>1.1</p>	<ul style="list-style-type: none"> • Increased incidences of water-borne illness in the population. • Increased morbidity and mortality associated with infectious diseases in institutions and personal care facilities.

DEPARTMENT: HEALTH

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000 Net \$000	FTE's	Consequences of Reductions
<p>Sexually Transmitted Diseases (STD'S) and AIDS/HIV</p>	<ul style="list-style-type: none"> • Provide clinical services (e.g. testing, diagnosis, treatment, Hep B vaccine referrals). • In conjunction with community partners ensures the provision of comprehensive health promotion activities. • Follow-up of STD + HIV cases and their contacts. • Delivery of SITE Program to injection drug users. 	<p>1,163 210</p>	<p>17.3</p>	<ul style="list-style-type: none"> • Increased cases of communicable sexually transmitted diseases including HIV. • Increase burden to the health care system from the results of undiagnosed or untreated STD's (including HIV).

DEPARTMENT: HEALTH

CORE MANDATORY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
<p>Non Mandatory Health Hazard Investigation</p>	<ul style="list-style-type: none"> Investigation and management of complaints involving garbage, insects, rodents other than rats, and other animals. 	31	12	0.5	<ul style="list-style-type: none"> Public and political dissatisfaction with persistence of offensive situations and lack of Regional ability to address same. No other agency available to handle complaints of this nature.

DEPARTMENT: HEALTH

NON CORE DISCRETIONARY

Program Title	Description of Program	Program Cost Gross \$000	Net \$000	FTE's	Consequences of Reductions
Environmental Advocacy	<ul style="list-style-type: none"> Promotion of environmental issues in the community. Working with community groups to organize environmentally related events. <p>Priorities have been reduction of pesticide use and groundwater protection.</p>	63	24	1.0	<ul style="list-style-type: none"> Decreased public awareness and knowledge of environmental issues particularly in areas of pesticide use and groundwater contamination. Decreased ability of Region to play a strong proactive role in environmental protection.
Health Grants	<p>The Health Grants Program is primarily to support new and short-term (1 year) health promotion projects within the region.</p>	260	260		<ul style="list-style-type: none"> Reduction in funding will result in less health promotion program delivered by approximately 20 small community organizations (often ethnic minority).
Purchase of Services	<ul style="list-style-type: none"> Canadian Mental Health Association/ Distress Centre (Regional Interagency Suicide Program Coordination). Senior Citizens Council of Ottawa-Carleton. 	10	10		<ul style="list-style-type: none"> Coordination of Suicide Prevention activities is highly valued by community partners but is not formally mandated. Elimination of this grant would further impair the effectiveness of suicide prevention activity in the Region. Elimination will result in the termination of a very well used resource guide for seniors in Ottawa-Carleton and a income tax counselling and preparation service.

Capital Program

Understanding the relationship between the financing of the Region’s capital program and how it relates to the tax and rate supported operating budgets is a subject that is of critical importance during the review of alternatives to address the impact of provincial downloading .

Reducing the overall size of the capital program in itself does not necessarily reduce property taxes or user fees in the current budget year. For capital programs that are projected to require debt financing over the 10 year forecast period, reductions in the capital program will manifest themselves as reduced debt servicing costs in future operating budgets.

Reductions to pay as you go contributions without a corresponding reduction in the size of the capital program, would undermine the financial integrity of the Corporation and could put the Region’s Aaa credit rating at risk.

Overview

The Region’s capital program like the operating budget, is segregated into tax and rate supported funds as summarized below.

Tax Supported Funds

- Region Wide
- Transit
- Solid Waste
- Sewer Capital Levy
- Police Services

Rate Supported Funds

- Water Operations
- Sewer Operations

The net financing requirement of the capital program, is funded from capital reserve funds (accumulated pay as you go contributions from property taxes and user fees) and from Regional development charges (RDC’s) for growth related projects only. To the extent that these funding sources are insufficient to fund the program, the residual requirement is financed through the proceeds from the issuance of long term debt (debentures).

The following table summarizes by fund the 1998 Capital Estimates and 10 year capital forecast as tabled with Council on February 11, 1998.

10 Year Capital Program

Fund	Reserve Funds	RDC’s	Debt	Total
Region Wide	204.7	45.7	89.0	339.4
Solid Waste	18.8	-	4.7	23.5
Regional Police	17.8	-	61.1	78.9
Transit	53.0	11.0	-	64.0
OC Transpo	404.0	-	-	404.0
Sewer	136.6	18.4	-	150.0
Water	268.3	33.3	-	301.6

Region Wide Fund

The following example is used to illustrate how the capital program and the operating budget are interconnected. If an “across the board” 5% reduction of the Region Wide 10 year capital forecast were applied, the funding requirements of the

program would decline by approximately \$17 million (5% of \$339.4 million). Given that the program as tabled requires substantial debt financing, the \$17 million reduction would normally first be applied against the debt financing requirement thereby reducing it from \$89 million to \$72 million. This reduction will manifest itself in future operating budgets in that the amount of debt that will actually be issued at some future date will be \$17 million less. This will lessen the requirement for debt charges (principal and interest repayments).

If, the capital program reduction of \$17 million was totally reflected in the operating budget through an identical reduction to the pay as you go (PAYG) contribution to the Region Wide Capital Reserve Fund, the effect would be to increase the percentage of the capital program funded from the issuance of debentures. In this example, debt financing would increase from 26% to 32% of the total 10 year capital program. This would not be consistent with Council's long standing commitment to reducing its reliance on debt.

An alternative approach would be to allocate the \$17 million reduction between reserve funds and debt financing in the same ratio as currently exists in the tabled capital estimates. This approach would maintain the existing relationship between reserve funds and the use of debt in the financing of the capital program and would, as a minimum, continue Council's commitment to the debt management strategy.

Sharing the reduction based on the existing ratios would reduce the 10 year reserve fund financing by \$11.9 million and debt financing by \$5.1 million. The annualized reduction in reserve fund financing of \$1.2 million would be available to reduce the annual pay as you go contribution of \$13.5 million to the Region

Wide Capital Reserve Fund. This would result in a reduced taxation requirement in 1998 and subsequent years. The reduction in the need for debt financing would have a corresponding impact on future operating budgets as described previously.

Solid Waste Fund

Applying the same example to the Solid Waste capital program would lead to results similar, albeit on a much smaller scale, to those presented for the Region Wide Fund. Given the total 10 year capital program of \$23.5 million which is supported with annual PAYG contributions of \$1.2 million and debt financing totalling \$4.7 million or approximately 20% of the program, a 5% capital program reduction would not lead to significant savings on the Solid Waste Fund operating budget.

Transit Fund

The Transit Fund 10 year capital program as tabled February 11th, was presented on an "existing" program basis. That is to say, the continuation of 50% provincial subsidy on eligible transitway expenditures was incorporated into the capital program presentation in accordance with Council's direction to isolate the expenditure and funding requirements of existing Regional programs from those impacts attributable to provincial downloading.

The elimination of all transit subsidy, both operating and capital, for transitway and OC Transpo purposes in conjunction with the mega week announcements was intended to be revenue neutral

according to the province. Based on information to date, the value of the program / funding transfers between the Province and the Region are still substantially at odds with the principle of revenue neutrality. Staff at the time of preparing this document, are awaiting confirmation and finalization of the costs associated with the program funding transfers.

Further analysis is proceeding at this time the results of which will be communicated to Council once the province provides final costs for program funding transfers.

Sewer Capital Levy

The 1998 draft operating estimates for the Sewer Capital Levy show a tax requirement of approximately \$10.6 million of which \$5.1 million is for the repayment of principal on outstanding debt and \$5.3 million which represents a PAYG contribution to the Sewer Capital Reserve Fund. Within five years, all expenditures currently funded by this levy will be funded from the revenues generated from the Region's sewer surcharge component on the water bill. This is in accordance with the decision taken by Council in December 1996 to address the longer term capital financing requirements of the public transit system and to fund those from the phase out of the Sewer Capital Levy.

Because of the link between the elimination of the Sewer Capital Levy and the financing of OC Transpo's capital program, additional reductions in the Sewer Capital Levy will have implications for the continuation of Council's depreciation strategy at OC Transpo. The impact on the funding of the sewer capital program is less significant in that the phase out

strategy forecasted a total PAYG contribution of only \$9.5 million to the capital reserve fund over the next three years.

Potential accelerated elimination of the Sewer Capital Levy may be achievable but is tied to finalization of program transfer costs as was indicated in the above section on the Transit Fund.

Sewer Operations Fund

The revenues derived from the Region's sewer surcharge revenues are used to fund the day to day operating costs of the sewer system which include expenditures for staffing, chemicals, hydro and the repayment of interest on outstanding debt. Funds are also contributed to the Sewer Depreciation Reserve Fund which, in conjunction with the Sewer Capital Reserve Fund, are used to fund the sewer capital program. Since 1990, the sewer capital program has been financed on a full pay as you basis. Based on the 10 year capital program tabled with Council, it is forecast that the program can continue to be funded on a pay as you go basis.

A reduction to the sewer capital program will in itself have no direct impact on either property taxes or the user fee rate unless the operating budget requirement for PAYG is correspondingly reduced. In the Sewer Operating Fund, where the majority of revenues are derived from a user fee (i.e. the sewer surcharge), reductions to the capital program in concert with a reduction in the contribution to the Sewer Depreciation Reserve Fund would be required to effect a reduction in the sewer surcharge rate.

Water Operating Fund

The operating costs for the provision of water services are funded by a combination of revenues from the water rate component of the Region's water bill (\$48.6 million) and from the Fire Supply Rate (\$11.6 million). As in the case of the Sewer Operations Fund, funds from these rates (after meeting operating costs) are contributed to the Water Capital Reserve Fund to fund the water capital program. Since the early 1980's, the water capital program has been financed on a full pay as you basis. Based on the 10 year capital program tabled with Council, it is forecast that the program will continue to be funded in this manner.

A reduction to the water capital program will in itself have no direct impact on either property taxes or the user fee rate unless the PAYG contribution to the Water Capital Reserve Fund is also reduced. Reductions to the water capital program in concert with a reduction in the contribution to the Water Capital Reserve Fund would be required to effect a reduction in the water rate.

Regional Police Services Fund

The capital requirements of the Regional Police Services as presented in the Police Services tabled estimates, are projected to be \$35.3 million in 1998 and \$78.9 million for the 10 year forecast period. With the exception of the vehicle replacement program, no PAYG contributions to a police related capital reserve fund have been established in the operating estimates. As a result, the Police Service estimate that 77% of their capital requirements will require debt financing to fund the program.